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INVESTOR IN PEOPLE

**Higher Education Grants in England and Wales:
Academic Year 2004/05 (Provisional)****INTRODUCTION**

1. This Statistical First Release (SFR) contains provisional figures on the numbers of students in receipt of a Higher Education Grant (HEG) and the associated expenditure in England and Wales in the academic year 2004/05. It provides more detail and more up to date information on the expenditure on maintenance shown in Table 2C of the Student Loans Company SFR 01/2004, which was published in November 2004. Final figures on expenditure on maintenance will be published in an SFR, scheduled for publication in November 2005.

2. The HEG was introduced to help students from lower income backgrounds with the cost of HE. It has been available to new students: (a) full-time, (b) sandwich, and (c) part-time Initial Teacher Training students; from September 2004 onwards. New students from families whose household income was £15,200 per annum or less were entitled to a full grant of £1,000 per annum; new students from families whose household income was £21,185 per annum or less were entitled to a partial grant on a sliding scale. The HEG does not affect the amount of the student loan available to the student.

KEY POINTS

England and Wales Academic Year 2004/05

- 74,000 or 27 per cent of entrants to Higher Education (HE) applying for student support received a full grant of £1,000 per annum, and, in addition, 18,000 or 7 per cent received a partial grant; 181,000 or 66 per cent did not receive a grant.
- The total expenditure on the HEG was £83 million.

TABLE

3. The table shows the numbers and percentages of entrants to HE applying for student support in receipt of a HEG and the associated expenditure for entrants domiciled in England and Wales and studying at United Kingdom (UK) Higher Education Institutions (HEIs) in the academic year 2004/05.

NOTES TO EDITORS

STUDENT SUPPORT ARRANGEMENTS FOR STUDENTS ENTERING HE FROM 1998/99

Fees Support

4. New student support arrangements came into effect from the start of the 1998/99 academic year. New entrants to HE were, with certain specified exceptions, expected to contribute up to £1,000 a year (£1,150 in 2004/05) towards the average total tuition cost of around £4,000 per year. The amount depended on their own and, if appropriate, their parents' or spouse's income. The remainder was met from public funds and paid directly to HEIs.

5. In the transitional year of the new arrangements, academic year 1998/99, some 15,000 students who were not expecting to receive a contribution to their fees from public funds did not make an application to their Local Education Authority.

Maintenance Support

6. In 1998/99, eligible new entrants received support for living costs through both grants and loans. Grants, which were assessed against family income, on average formed about a quarter of the support available. All students were entitled to a non income-assessed loan, which comprised the remaining three quarters of support available, and which was repayable on an income contingent basis. From 1999/2000, all basic support for living costs was through loans as grants were discontinued up until the introduction of the HEG in 2004/05.

Student Loans

7. The amount available to students through loans was increased to compensate for the reduction in grants until 1999/2000 from which point onwards students received their basic support for living costs solely through loans, approximately one quarter of which were income-assessed. Entrants from 2004/05 onwards may also be entitled to grant support through the HEG.

8. Repayment of student support scheme loans is linked to income after leaving university or college so that leavers only repay as and when they can afford to. Repayments are at the rate of 9% of income above the income threshold which is set at £15,000 gross per annum.

9. Statistics on loans to students in HE in the UK in financial year 2002-03 were published in SFR 26/2004 on 29 July 2004 and in SLC SFR 01/2004 published on 30 November 2004.

Additional Grants and Allowances

10. The Government retains as grants and allowances those relating to the personal circumstances of students, e.g. for students with dependants; single parent students; care leavers and disabled students. Support for some course-related costs, e.g. extra weeks attendance, are in the form of supplementary loans. Grants for students with dependants and single parent students are income-assessed but the school meals allowances, care leavers grants and disabled students' allowances are not.

Access to Learning Fund

11. From 2004/05 hardship funding has been amalgamated into one non-repayable fund, renamed the Access to Learning Fund. Institutions with HE students have been allocated £70m in 2004/05 to help students from low income backgrounds and those in financial difficulty to gain access to and stay in HE.

Hardship Loans

12. Hardship Loans of up to £500 were available for full-time undergraduate students up to and including academic year 2003/04. The budget was £25.9m for 2003/04. Hardship Loans have been discontinued in 2004/05 following the introduction of the HEG.

NATIONAL STATISTICS

13. This is a National Statistics publication. National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure they meet customer needs. They are produced free from any political interference.

HIGHER EDUCATION

Table 1 : Distribution of Higher Education Grant : academic year 2004/05 (provisional)

Student Support Scheme students [1] : England and Wales

	Students		Expenditure (£m) [3]
	Numbers (000s) [2]	Percentage (%)	
Students receiving a full HE grant	74	27	74
Students receiving a partial HE grant	18	7	9
Students receiving no HE grant	181	66	.
Total [4]	273	100	83

. = not applicable

Source: Student Loans Company (SLC)

[1] Full-time, sandwich, and part-time initial teacher training entrants to higher education.

[2] Student numbers rounded to the nearest thousand.

[3] Expenditure rounded to the nearest million pounds.

[4] Excludes those students who do not apply to the SLC for any financial support.